

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : Criminal No.: 98-CR918
v. : Filed: August 20, 1998
TARGET GRAPHICS INC., : Violation: 15 U.S.C. § 1
Defendant. :

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INFORMATION

The United States of America, acting through its attorneys, charges:

1. Target Graphics Inc. is hereby made a defendant on the charge stated below.

DESCRIPTION OF THE OFFENSE

2. Beginning at least as early as February 1992 and continuing until at least February 1994, the exact dates being unknown to the United States, the defendant and co-conspirators engaged in a combination and conspiracy in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which were to rig bids and allocate contracts for the supply of printed display materials awarded by Lorillard Tobacco Co., Inc. ("Lorillard").

4. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendant and co-conspirators did those things which they combined and conspired to do, including, among other things:

(a) designating which supplier of printed materials would be the low bidder on contracts awarded by Lorillard and arranging for one or more higher, noncompetitive price quotations or bids from other suppliers to be submitted to Lorillard at its headquarters in Manhattan; and

(b) making payments in the form of cash or goods to a purchasing agent employed by Lorillard for his assistance in controlling Lorillard's program for seeking competitive price quotations or bids for contracts for printed display materials.

DEFENDANT AND CO-CONSPIRATORS

5. Target Graphics Inc. is incorporated in New York and has its principal place of business in Garden City, New York. Target Graphics Inc. is a producer and seller of printed display materials. During the period covered by this Information, Target Graphics Inc. made substantial sales of printed display materials to Lorillard.

6. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

7. Various persons and firms, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

TRADE AND COMMERCE

8. Printed display materials are used by many manufacturers, among them cigarette, consumer health goods, food, liquor, and cosmetic companies, as a means of promoting their products.

9. During the period covered by this Information, Lorillard, which had its headquarters in Manhattan, purchased substantial quantities of printed display materials from suppliers located throughout the United States. These purchases were often made by issuing a contract to a supplier after the supplier had submitted a written price quotation or bid pursuant to Lorillard's practice to seek at least three competitive bids for sizable contracts.

10. During the period covered by this Information, and as a result of the conspiracy charged herein, the defendant obtained contracts for printed display materials from Lorillard worth approximately four hundred thousand dollars (\$400,000).

11. During the period covered by this Information, the activities of the defendant and co-conspirators with respect to the sale of printed display materials to Lorillard pursuant to the charged conspiracy were within the flow of, and substantially affected, interstate trade and commerce.

JURISDICTION AND VENUE

12. The aforesaid combination and conspiracy was carried out, in part, within the Southern District of New York within the five years preceding the filing of this Information.

IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated:

“/s/”
JOEL I. KLEIN
Assistant Attorney General

“/s/”
RALPH T. GIORDANO
Chief, New York Office

“/s/”
GARY R. SPRATLING
Deputy Assistant Attorney General

“/s/”
REBECCA MEIKLEJOHN

“/s/”
JOHN T. ORR
Director of Criminal Enforcement

“/s/”
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